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**FILED**

04/13/22

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

PHAM

R2007013

Order Instituting Rulemaking to  
Further Develop a Risk-Based  
Decision-Making Framework for  
Electric and Gas Utilities.

Rulemaking 20-07-013

**ASSIGNED COMMISSIONER'S PHASE II  
SCOPING MEMO AND RULING EXTENDING STATUTORY DEADLINE**

This Assigned Commissioner's Phase II Scoping Memo and Ruling (Phase II Scoping Memo) sets forth the issues, need for hearing, schedule, category, and other matters necessary to scope this proceeding pursuant to Public Utilities (Pub. Util.) Code Section 1701.1 and Article 7 of the Commission's Rules of Practice and Procedure (Rules). This Phase II Scoping Memo extends the statutory deadline in this proceeding until December 31, 2023.

**1. Procedural Background**

On July 16, 2020, the Commission opened Rulemaking (R.) 20-07-013, *Rulemaking to Further Develop a Risk-Based Decision-Making Framework for Electric and Gas Utilities* (RDF Rulemaking). This RDF Rulemaking builds on two previous proceedings, R.13-11-006, *Order Instituting Rulemaking to Develop a Risk-Based Decision-Making Framework to Evaluate Safety and Reliability Improvements and Revise the Rate Case Plan for Energy Utilities* (Risk Rulemaking), and Application (A.) 15-05-002 *et al.*, the *Safety Model Assessment Proceeding* (S-MAP). The purpose of this RDF Rulemaking is to further the prioritization of safety by gas and electric utilities.

Towards the conclusion of A.15-05-002 *et al.*, the Commission adopted Decision (D.) 18-12-014, *Phase Two Decision Adopting Safety Model Assessment Proceeding (S-MAP) Settlement Agreement with Modifications*. D.18-12-014 adopts a Risk-Based Decision-Making Framework (RDF) that Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), Southern California Gas Company (SoCalGas), and San Diego Gas & Electric Company (SDG&E) (collectively investor-owned utilities or IOUs) are required to use to assess and rank safety risks, assess and rank potential safety mitigations, and undertake other steps in order to prepare and file Risk Assessment Mitigation Phase (RAMP) applications. RAMP proceedings allow for consideration of IOU risk assessment processes and subsequently inform Commission assessment of IOU general rate case (GRC) revenue requirement requests.

A Phase I Scoping Memo in R.20-07-013 was issued by the assigned Commissioner on November 2, 2020. The Phase I Scoping Memo established four separate tracks, as follows:

- Track 1: Clarifying RDF Technical Requirements
- Track 2: Safety and Operational Metrics
- Track 3: Refining Risk Assessment and Mitigation Phase (RAMP) and Related Procedural Requirements
- Track 4: Small and Multijurisdictional Utilities (SMJUs)

The Commission on November 4, 2021 adopted a Phase I decision, D.21-11-009 *Decision Addressing Phase 1 Track 1 and 2 Issues*. Work on Phase I Track 3 and Track 4 issues is ongoing, and a decision is expected in these areas in mid-2022 (*see schedule below*).

The Phase I Scoping Memo identified numerous additional issues within Track 1 that were deferred for consideration until Phase II. To assist with

developing a Phase II schedule, D.21-11-009 established a R.20-07-013 Technical Working Group (TWG) and directed Safety and Policy Division (SPD) Staff and parties participating in the TWG to collaborate to assemble a draft R.20-07-013 Roadmap for consideration. On February 16, 2022, I issued an assigned Commissioner's Ruling providing a draft Staff proposal for a Phase II Roadmap. Parties commented on the draft Roadmap on March 8, 2022 and March 14, 2022.

As part of the Staff proposal, Staff indicated they had engaged a consulting firm (Level 4) to prepare an IOU Baseline Assessment Report (Baseline Report). The Baseline Report is intended to summarize the risk management approach of the IOUs as they work to implement the requirements of D.18-12-014, to evaluate and compare the IOU approaches, and to make initial recommendations to address R.20-07-013 Phase II priorities. On March 3, 2022, Staff convened a workshop as part of TWG activities to discuss the draft Level 4 Baseline Report. On March 17, 2022, parties provided informal comments on the draft Baseline Report to Staff.

After considering Staff's proposal for a Phase II Roadmap, party comments, and party reply comments on the Roadmap, I have determined the scope and schedule of Phase II of the proceeding as set forth below.

## **2. Issues**

The issues to be determined or otherwise considered in Phase II are:

1. Should the Commission consider revising the RDF adopted in D.18-12-014? What principles or factors should guide consideration of revisions, refinements or clarifications?
2. Should the Commission consider revising or refining the RDF methodology for valuing services, mitigations and/or impacts (such as those related to reliability or safety)? If so, should the Commission consider: (a) defining and requiring use of a consistent value of statistical life (VSL); (b) whether the dollar value of attributes should be

explicitly addressed; and (c) the valuation of the costs and impacts of public safety power shutoff (PSPS) events as both risks and risk mitigations? Discussion and consideration of PSPS related issues in this proceeding should avoid duplicating work on PSPS issues being addressed in other proceedings or as undertaken by the Office of Energy Infrastructure Safety (Energy Safety) in the context of its review of utility Wildfire Mitigation Plans.<sup>1</sup>

3. Should the Commission consider refining or revising the methodology adopted in D.18-12-014 regarding weighting of risk categories and/or the replacement of weights and ranges with direct trade-off values of services and impacts?
4. Should the Commission consider refining or revising the requirements for the multi-attribute value function (MAVF) contained in the RDF? If so, should this include identifying best practices, minimum requirements

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<sup>1</sup> See Pub. Util. Code Section 8386: “(b) Each electrical corporation shall annually prepare and submit a wildfire mitigation plan to the Wildfire Safety Division [now Energy Safety] for review and approval. In calendar year 2020, and thereafter, the plan shall cover at least a three-year period. The division shall establish a schedule for the submission of subsequent comprehensive wildfire mitigation plans, which may allow for the staggering of compliance periods for each electrical corporation. In its discretion, the division may allow the annual submissions to be updates to the last approved comprehensive wildfire mitigation plan; provided, that each electrical corporation shall submit a comprehensive wildfire mitigation plan at least once every three years. (c) The wildfire mitigation plan shall include all of the following:...(6) A description of the electrical corporation’s protocols for disabling reclosers and *deenergizing portions of the electrical distribution system* that consider the associated impacts on public safety. As part of these protocols, each electrical corporation shall include *protocols related to mitigating the public safety impacts of disabling reclosers and deenergizing portions of the electrical distribution system* that consider the impacts on all of the following: (A) Critical first responders. (B) Health and communication infrastructure. (C) Customers who receive medical baseline allowances pursuant to subdivision (c) of Section 739... (7) A description of the electrical corporation’s appropriate and feasible procedures for notifying a customer who may be impacted by the *deenergizing of electrical lines*, including procedures for those customers receiving medical baseline allowances as described in paragraph (6). The procedures shall direct notification to all public safety offices, critical first responders, health care facilities, and operators of telecommunications infrastructure with premises within the footprint of potential *deenergization* for a given event. The procedures shall comply with any orders of the commission regarding notifications of *deenergization* events” (emphasis added).

- (including, potentially, the development of a single risk-attitude function or scaling function),<sup>2</sup> guiding principles, and/or aspirational characteristics for RAMP filings?
5. Should the Commission consider requirements, methods, milestones and timeframes to develop comparable risk scores and/or comparable risk spend efficiency scores across IOUs?
  6. Should the Commission consider methods and requirements for incorporating climate change related risks, such as those associated with wildfires and rising sea levels, into the RDF, consistent with adaptation and resiliency efforts underway in R.18-04-019 and other proceedings?
  7. Should the Commission consider impacts on environmental and social justice communities, including the extent to which action in this proceeding impacts achievement of any of the nine goals of the Commission's Environmental and Social Justice Action Plan?<sup>3</sup>

### **3. Need for Evidentiary Hearing**

The Phase I Scoping Memo determined that evidentiary hearings are not needed. We are not at this time aware of issues of material disputed facts in this proceeding. Accordingly, evidentiary hearings are not needed during Phase II of this proceeding.

### **4. Schedule**

The following schedule is adopted here and may be modified by the Administrative Law Judge (ALJ) as required to promote the efficient and fair

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<sup>2</sup> For example, whether a utility's scaling function suggests an orientation towards being risk averse, risk neutral, or risk tolerant.

<sup>3</sup> See the most recent version of the Commission's Environmental and Social Justice Action Plan, available as of April 5, 2022 at: <https://www.cpuc.ca.gov/ESJactionplan>.

resolution of this rulemaking. For planning purposes, this Phase II schedule includes pending Phase I Track 3 and Track 4 activities.

The issues involved in this proceeding are complex and it may not be feasible to address all the issues identified below in a Phase II decision. Therefore, this Phase II Scoping Memo extends the statutory deadline for this proceeding until December 31, 2023.

**Phase II Schedule (Including Pending Phase I Activities)**

<b>Event</b>	<b>Date</b>
Ruling providing Phase I Track 3 Staff proposal for comment	April 2022
TWG activity: <ul style="list-style-type: none"> <li>• Discussion of Revised Level 4 IOU Baseline Assessment Report</li> </ul>	April 20, 2022 April 26, 2022, if needed
TWG activity: <ul style="list-style-type: none"> <li>• Party Informal Comment to SPD Staff on Revised Level 4 IOU Baseline Assessment Report</li> </ul>	May 2022
Additional TWG discussions and meetings as needed to discuss Phase II issues	April – July 2022
Ruling providing Phase I Track 4 Staff proposal for comment	May 2022
Proposed Decision Addressing Phase I Track 3 and Track 4 Issues	July 2022
Ruling providing Phase II Staff proposal for comment	August 2022
Party comments and reply comments on Phase II Staff proposal	September - October
Proposed Decision Addressing Phase II Issues	November 2022
Prehearing conference (PHC) to consider Phase III Issues	Q1 2023
Phase III workshops, Staff proposals, TWG activities, etc.	2023

The proceeding will stand submitted upon the filing of party comments on the Phase II Staff proposal, unless the ALJ requires further evidence or argument. This proceeding involves complex and interlocking issues and a Phase III that will be scoped in early 2023 and will take longer to conclude than the 18-month schedule required in Pub. Util. Code Section 1701.5. Therefore, this Phase II Scoping Memo extends the statutory deadline for this proceeding until December 31, 2023.

## **5. Alternative Dispute Resolution (ADR) Program and Settlements**

The Commission's ADR program offers mediation, early neutral evaluation, and facilitation services, and uses ALJs who have been trained as neutrals. At the parties' request, the assigned ALJ can refer this proceeding to the Commission's ADR Coordinator. Additional ADR information is available on the Commission's website.<sup>4</sup>

Any settlement between parties, whether regarding all or some of the issues, shall comply with Article 12 of the Rules and shall be served in writing. Such settlements shall include a complete explanation of the settlement and a complete explanation of why it is reasonable in light of the whole record, consistent with the law and in the public interest. The proposing parties bear the burden of proof as to whether the settlement should be adopted by the Commission.

## **6. Category of Proceeding and Ex Parte Restrictions**

This ruling confirms the Commission's preliminary determination in the Order Instituting Rulemaking (OIR) that this is a quasi-legislative proceeding.

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<sup>4</sup> See D.07-05-062, Appendix A, § IV.O.

Accordingly, *ex parte* communications are permitted without restriction or reporting requirements pursuant to Article 8 of the Commission's Rules.

## **7. Public Outreach**

Pursuant to Pub. Util. Code Section 1711(a), I hereby report that the Commission sought the participation of those likely to be affected by this matter by noticing it in the Commission's monthly newsletter that is served on communities and business that subscribe to it and posted on the Commission's website.

In addition, the Commission served the OIR on A.15-05-002 *et al.*, R.18-12-005, R.18-10-007, R.18-04-019, R.18-03-011, R.15-01-008, Investigation (I). 19-11-010/I.19-11-011, I.18-11-006, I.17-11-003, A.19-08-015, A.19-08-013, A.19-06-001, A.18-12-001, A.18-04-002 *et al.*, A.17-10-008, R.20-07-013, A.17-10-007/A.17-10-008, A.17-05-004, I.19-09-016, I.18-12-007, and, I.19-06-015.

## **8. Intervenor Compensation**

Pursuant to Pub. Util. Code Section 1804(a)(1), a customer who intends to seek an award of compensation must have filed and served a notice of intent to claim compensation by October 15, 2020, 30 days after the Phase I PHC.

## **9. Response to Public Comments**

Parties may, but are not required to, respond to written comments received from the public. Parties may do so by posting such response using the "Add Public Comment" button on the "Public Comment" tab of the online docket card for the proceeding.

## **10. Public Advisor**

Any person interested in participating in this proceeding who is unfamiliar with the Commission's procedures or has questions about the electronic filing procedures is encouraged to obtain more information at <http://consumers.cpuc.ca.gov/pao/> or contact the Commission's



Public Advisor at 1-866-849-8390 or 1-866-836-7825 (TTY), or send an e-mail to [public.advisor@cpuc.ca.gov](mailto:public.advisor@cpuc.ca.gov).

## **11. Filing, Service, and Service List**

The official service list has been created and is on the Commission's website. Parties should confirm that their information on the service list is correct and serve notice of any errors on the Commission's Process Office, the service list, and the ALJ. Persons may become a party pursuant to Rule 1.4.<sup>5</sup>

When serving any document, each party must ensure that it is using the current official service list on the Commission's website.

This proceeding will follow the electronic service protocol set forth in Rule 1.10. All parties to this proceeding shall serve documents and pleadings using electronic mail, whenever possible, transmitted no later than 5:00 p.m., on the date scheduled for service to occur. Rule 1.10 requires service on the ALJ of both an electronic and a paper copy of filed or served documents. **Until further notice, Rule 1.10 is suspended in R.20-07-013 due to remote work arrangements that are ongoing during the COVID-19 pandemic.**

When serving documents on Commissioners or their personal advisors, whether or not they are on the official service list, parties must only provide electronic service. Parties must not send hard copies of documents to Commissioners or their personal advisors unless specifically instructed to do so.

Persons who are not parties but wish to receive electronic service of documents filed in the proceeding may contact the Process Office at

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<sup>5</sup> The form to request additions and changes to the Service list may be found at <https://www.cpsc.ca.gov/-/media/cpsc-website/divisions/administrative-law-judge-division/documents/additiontoservicelisttranscriptordercompliant.pdf>

[process\\_office@cpuc.ca.gov](mailto:process_office@cpuc.ca.gov) to request addition to the “Information Only” category of the official service list pursuant to Rule 1.9(f).

The Commission encourages those who seek information-only status on the service list to consider the Commission’s subscription service as an alternative. The subscription service sends individual notifications to each subscriber of formal e-filings tendered and accepted by the Commission. Notices sent through subscription service are less likely to be flagged by spam or other filters. Notifications can be for a specific proceeding, a range of documents and daily or weekly digests.

## **12. Receiving Electronic Service from the Commission**

Parties and other persons on the service list are advised that it is the responsibility of each person or entity on the service list for Commission proceedings to ensure their ability to receive e-mails from the Commission. Please add “@cpuc.ca.gov” to your e-mail safe sender list and update your e-mail screening practices, settings and filters to ensure receipt of e-mails from the Commission.

## **13. Assignment of Proceeding**

Commissioner Clifford Rechtschaffen is the assigned commissioner and ALJ Cathleen A. Fogel is the assigned ALJ for the proceeding.

**IT IS RULED** that:

1. The scope of this proceeding is described above and is adopted.
2. The schedule of this proceeding is set forth above and is adopted.
3. Evidentiary hearing is not needed.
4. The category of the proceeding is *quasi-legislative*.

5. The requirement of Rule 1.10. for service on the ALJ of a paper copy of filed or served documents is suspended until further notice due to the COVID-19 emergency

6. The statutory deadline for this proceeding is extended until December 31, 2023.

This order is effective today.

Dated April 13, 2022, at San Francisco, California.

/s/ CLIFFORD RECHTSCHAFFEN

Clifford Rechtschaffen  
Assigned Commissioner